

Message Text

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SUBJ: QUEBEC RAISES MINIMUM WAGE

1. LABOR MINISTER JACQUES COUTURE HAS ANNOUNCED THAT QUEBEC'S MINIMUM WAGE WILL BE RAISED FROM CURRENT DOLS 2.87 TO DOLS 3.00, EFFECTIVE JANUARY 1. PREMIER LEVESQUE HAS SAID BOOST WAS AN INTERIM MEASURE AND THAT GOVERNMENT WOULD SEEK TO ESTABLISH A MINIMUM WAGE INDEXATION AFTER STUDYING ECONOMIC IMPACT OF WAGE INCREASES ON BUSINESS.

2. AT DOLS 3.00 PER HOUR, QUEBEC'S MINIMUM WAGE WILL BE ON SAME LEVEL AS THAT OF BRITISH COLUMBIA, PREVIOUSLY THE HIGHEST IN CANADA. ONTARIO MINIMUM WAGE IS DOLS 2.65; MINIMUM WAGE IN U.S. IS DOLS 2.30. WITH NEW INCREASE, QUEBEC'S MINIMUM WAGE HAS RISEN BY 88 O/O SINCE 1972, AS COMPARED TO INCREASES OF 61 O/O IN ONTARIO, AND 50 O/O IN BRITISH COLUMBIA.

3. MINIMUM WAGE INCREASE WILL DIRECTLY AFFECT SOME 300,000 WORKERS BUT WILL UNDOUBTEDLY HAVE MUCH GREATER EFFECT AS WORKERS PREVIOUSLY EARNING MORE THAN MINIMUM WAGE WILL SEEK TO PRESERVE THEIR SPREAD OVER LOWER INCOME EMPLOYEES. ONLY ONE DAY BEFORE DECISION WAS ANNOUNCED, MINISTER OF INDUSTRY, RODRIGUE TREMBLAY, HAD GIVEN PUBLIC INTERVIEW IN WHICH HE SAID INCREASE IN MINIMUM WAGE WOULD ADVERSELY AFFECT BUSINESS AND INVESTMENT ENVIRONMENT, AND THAT THERE WERE OTHER MORE EFFECTIVE WAYS TO INCREASE EARNINGS OF MOST NEEDY WORKERS.

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4. INCREASE IN MINIMUM WAGE HAD BEEN MORE OR LESS PROMISED BY

PQ DURING ELECTION CAMPAIGN, BUT THEY STILL HAVE WAY TO GO BEFORE LABOR LEADERS ARE PLEASED. LOUIS LABERGE, PRESIDENT OF QUEBEC FEDERATION OF LABOR, SAID THE NEW DOLS 3.00 MINIMUM WAS "A STEP IN THE RIGHT DIRECTION, PARTICULARLY BECAUSE IT IS ONE OF THE FIRST ACTS OF THE NEW GOVERNMENT, BUT THAT MINIMUM SHOULD BE DOLS 4.35 TO ASSURE A DECENT LIVING".

5. INCREASE IN MINIMUM WAGE WILL BE ANOTHER FACTOR ADDING TO DIFFICULTIES OF PRESENT INVESTMENT CLIMATE IN QUEBEC. BEFORE ELECTION OF PQ, MOST COMMON COMPLAINT ABOUT DOING BUSINESS IN QUEBEC CONCERNED LABOR DIFFICULTIES, INCLUDING BOTH HIGH COSTS RELATIVE TO U.S. AND TIME LOST TO STRIKES. WHILE SOME BUSINESS FIRMS MIGHT BE WILLING TO TRADE HIGHER LABOR COSTS FOR STABILITY, THERE IS NO GUARANTEE THAT PQ CAN DELIVER THE LATTER. MOREOVER, ANNOUNCEMENT OF INCREASE IN MINIMUM WAGE ONE DAY AFTER MINISTER OF INDUSTRY AND COMMERCE TREMBLAY WAS QUOTED AS OPPOSING ANY INCREASE, RAISES FURTHER QUESTIONS ABOUT EXTENT OF PQ CABINET COORDINATION. (SEE MONTREAL 1885).
HARPER

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